

Message Text

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46

ACTION EUR-25

INFO OCT-01 ADP-00 EURE-00 CIAE-00 COME-00 EB-11 INR-10

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TO SECSTATE WASHDC PRIORITY 2539

INFO AMEMBASSY BONN

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AMCON GEN STRASBOURG

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E.O. 11652: N/A

TAGS: PLAB

SUBJECT: RIOT POLICE EVACUATE LIP WATCH FACTORY

REF: A-572

1. SUMMARY. ARMED RIOT POLICE THIS MORNING EVACUATED WORKERS FROM BANKRUPT LIP WATCH FACTORY, SCENE OF ILLEGAL TWO-MONTH EXPERIMENT IN WORKER SELF-MANAGEMENT. THOUGH GOVERNMENT APPARENTLY TIMED INTERVENTION CAREFULLY TO COINCIDE WITH VACATION PERIOD AND MID-AUGUST HOLIDAY, STRONG REACTION NOW DEVELOPING TO THIS LAW-AND-ORDER INITIATIVE, REGARDED BY MANY AS TOO MUCH TOO LATE AND A DIRECT AFFRONT TO ORGANIZED LABOR. END SUMMARY.

2. ILLEGAL BUT POPULARLY SUPPORTED "WORK IN" AT LIP'S BESANCON WATCH FACTORY (REFAIR) ENDED TODAY WHEN 3000 GARDES MOBILES (RIOT POLICE) EVACUATED (WITHOUT SERIOUS INCIDENT) A SKELETON FORCE OF 50 WORKERS.

3. LIP FACTORY, WHICH WENT BANKRUPT LAST APRIL, WAS OCCUPIED

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BY WORKERS ON JUNE 12. UNIQUE ASPECT DEVELOPED JUNE 19

WHEN WORKERS DECIDED THEMSELVES TO OPERATE PLANT, PRODUCING AND SELLING A SUFFICIENT NUMBER OF WATCHES TO PROVIDE "SURVIVAL PAY" UNTIL SITUATION CLARIFIED. HAVING DONE THIS SUCCESSFULLY, WORKERS MADE FIRST SALARY PAYMENT TO THEMSELVES ON AUGUST 2 - THE DAY FOLLOWING A PROPOSAL BY THE MINISTER OF INDUSTRIAL AND SCIENTIFIC DEVELOPMENT THAT THE OPERATIONS OF THE FIRM BE DIVIDED INTO THREE COMPONENT PARTS (WATCHES, MACHINE TOOLS, DEFENSE INSTRUMENTS), WITH ALL BUT 400 WORKERS TO BE RE-HIRED BY SUCCESSOR FIRMS. THE WORKERS REJECTED THIS PLAN, DEMANDING THAT LIP CONTINUE AS INTEGRATED OPERATIONS, AND THAT ALL WORKERS BE RETAINED AT PREVIOUS WAGES. GOVERNMENT NAMED NEGOTIATOR TO RESOLVE IMPASSE. GARDES MOBILES ACTED TO ENFORCE COURT ORDER REQUIRING PLANT AND ALL ASSETS BE PLACED UNDER SEAL--AN ACTION WHICH A SINGLE COURT OFFICER WAS UNABLE TO ACCOMPLISH ON AUGUST 6. GOVERNMENT-APPOINTED NEGOTIATOR MAINTAINS HE WAS NOT INFORMED OF INTENT TO EVACUATE FACTORY BY FORCE. HE STATED, FURTHER, THAT WHILE ACTION MADE HIS TASK "MORE DIFFICULT", HE INTENDED TO PRESS ON WITH HIS MISSION.

4. THOUGH EVIDENTLY TAKEN BY SURPRISE, LIP WORKERS HAD FORESEEN POSSIBILITY OF EVENTUAL FORCEFUL EVACUATION AND HAD TAKEN COUNTER-MEASURES -- ONE OF WHICH WAS SEQUESTRATION OF FINISHED WATCHES VALUED AT SOME \$2.4 M. AFTER EVACUATION, UNIDENTIFIED SPOKESMAN FOR WORKERS TOLD REPORTER OF ADDITIONAL MEASURES -- REMOVAL FROM THE PLANT OF ALL COMPANY RECORDS, AND OF VITAL DIFFICULT-TO-REPLACE PIECES FROM COMPLEX MACHINES. SPOKESMAN ALSO CLAIMED WORKER CAPABILITY TO CONTINUE TO PRODUCE AND SELL WATCHES OUTSIDE THE FACTORY.

5. WITH EXCEPTION OF MORE RESPONSIBLE FORCE OUVRIERE, MAJOR TRADE UNIONS, PC, PS, PSU AND RADICAL LEFT UNANIMOUS IN DENOUNCING FORCEFUL EVACUATION AS DIRECT CHALLENGE TO ORGANIZED LABOR AND AS EVIDENCE OF "CALLOUS" GOVERNMENT DISREGARD OF PUBLIC OPINION GENERALLY MAYOR OF BESANCON TOLD WORKERS HIS INTEREST WAS IN THEIR WELFARE, NOT THAT OF LIP STOCKHOLDERS. RESPONSE TO CGT/CFDT CALL FOR SYMPATHY WALKOUTS GROWING BUT AS YET STILL LIMITED.

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6. COMMENT. THOUGH MINISTER OF INDUSTRIAL AND SCIENTIFIC DEVELOPMENT STATES THAT EVACUATION WAS FORCED BY COURT ACTION AND BY DESIRE TO RE-LAUNCH LIP OPERATIONS ON LEGAL BASIS, TRADE UNIONS MAY BE CORRECT IN BELIEF THAT TIMING WAS DICTATED BY PROBABILITY THAT HOLIDAY EVE AND MID-VACATION PERIOD PROMISED MINIMAL TRADE UNION, POLITICAL REACTION.
STONE

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